

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**September 30, 2007**

**INVESTMENT ACTIVITY**

**PURCHASES OR DEPOSITS**

9/06	LAIF Deposit/City	\$	1,000,000
9/18	LAIF Deposit/City		1,500,000
9/24	LAIF Deposit/City		1,000,000
		<b>\$</b>	<b>3,500,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

9/14	LAIF Withdrawal/City	\$	(1,500,000)
9/14	LAIF Withdrawal/RDA		(500,000)
9/28	Federal Home Loan Bank (FHLB) Maturity		(2,000,000)
	<b>Totals</b>	<b>\$</b>	<b>(4,000,000)</b>

**ACTIVITY TOTAL**

**\$ (500,000)**

**INTEREST REVENUE**

**POOLED INVESTMENTS**

Interest Earned on Investments	\$	542,216
Amortization		40,004
SBB&T Sweep Account Interest		8,357
SBB&T Trust Account M/M Interest		1,187
<b>Totals</b>	<b>\$</b>	<b>591,764</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$</b>	<b>59,188</b>
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**TOTAL INTEREST EARNED**

**\$ 650,952**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**September 30, 2007**

**ENDING BALANCE AS OF AUGUST 31, 2007**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 29,500,000	5.250%	19.21%	1
Certificates of Deposit	2,000,000	5.000%	1.30%	444
Treasury Securities - Coupon	3,955,569	4.753%	2.58%	578
Federal Agency Issues - Coupon	101,246,150	4.939%	65.93%	725
Corporate/Medium Term Notes	16,870,526	5.103%	10.99%	830
Totals and Averages	\$ 153,572,244	5.013%	100.00%	590
SBB&T Money Market Account	3,007,121			
<b>Total Cash and Investments</b>	<b>\$ 156,579,366</b>			

**NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2007**      \$      (25,282)

**ENDING BALANCE AS OF SEPTEMBER 30, 2007**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 31,000,000	5.250%	20.25%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.31%	414
Treasury Securities - Coupon	3,958,038	4.753%	2.59%	548
Federal Agency Issues - Coupon	99,277,288	4.958%	64.84%	709
Corporate/Medium Term Notes	16,876,923	5.103%	11.02%	800
Totals and Averages	\$ 153,112,249	5.028%	100.00%	568
SBB&T Money Market Account	3,441,835			
<b>Total Cash and Investments</b>	<b>\$ 156,554,084</b>			

Note:

(1) The average life of the LAIF portfolio as of September 30, 2007 is 207 days .

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2007**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	5.250	5.250	17,500,000.00	17,500,000.00	17,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	5.250	5.250	13,500,000.00	13,500,000.00	13,500,000.00	0.00	
Subtotal, LAIF							31,000,000.00	31,000,000.00	31,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,996,273.02	2,029,220.00	32,946.98	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,961,765.20	1,974,220.00	12,454.80	
Subtotal, Treasury Securities							4,000,000.00	3,958,038.22	4,003,440.00	45,401.78	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	11/04/05	10/24/07	Aaa	AAA	4.500	4.650	1,000,000.00	999,908.97	999,690.00	(218.97)	
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,975,292.99	1,991,250.00	15,957.01	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,136.22	2,026,560.00	27,423.78	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,043,976.35	2,081,560.00	37,583.65	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,551.89	2,021,250.00	21,698.11	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,966,771.44	1,981,250.00	14,478.56	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,981,019.66	2,017,510.00	36,490.34	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,996,538.51	2,013,130.00	16,591.49	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	973,258.38	988,435.00	15,176.62	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,948,486.18	1,964,060.00	15,573.82	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,016,133.95	2,051,250.00	35,116.05	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,920,565.43	1,972,820.00	52,254.57	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	993,843.06	1,013,755.00	19,911.94	
FEDERAL HOME LOAN BANK	05/18/07	05/15/12	Aaa	AAA	5.500	5.523	2,000,000.00	1,998,745.10	2,010,310.00	11,564.90	Callable to maturity
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,392.88	1,018,595.00	17,202.12	
FEDERAL HOME LOAN BANK	12/18/06	04/21/08	Aaa	AAA	3.450	5.021	2,000,000.00	1,983,287.78	1,985,000.00	1,712.22	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,011,880.00	11,880.00	Callable 11/10/2008 once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,007,899.30	2,026,560.00	18,660.70	
FEDERAL HOME LOAN BANK	04/30/04	10/30/07	Aaa	AAA	3.410	3.410	1,000,000.00	1,000,000.00	998,750.00	(1,250.00)	Callable to maturity
FEDERAL HOME LOAN BANK	11/23/04	11/23/07	Aaa	AAA	3.440	3.440	1,000,000.00	1,000,000.00	997,810.00	(2,190.00)	Callable to maturity
FEDERAL HOME LOAN BANK	01/14/05	07/14/08	Aaa	AAA	4.000	4.000	1,000,000.00	1,000,000.00	994,535.00	(5,465.00)	Callable to maturity
FEDERAL HOME LOAN BANK	01/05/05	11/15/07	Aaa	AAA	3.500	3.536	2,000,000.00	1,999,915.42	1,996,260.00	(3,655.42)	
FEDERAL HOME LOAN BANK	03/11/05	11/15/07	Aaa	AAA	3.500	4.026	1,000,000.00	999,394.77	998,130.00	(1,264.77)	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2007**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,013,750.00	13,750.00	Callable 2/17/2009 once
FEDERAL HOME LOAN BANK	04/28/06	04/28/10	Aaa	AAA	5.400	5.400	2,000,000.00	2,000,000.00	2,009,690.00	9,690.00	Callable 4/28/2008 once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,006,720.00	6,720.00	Callable 9/08/2008 once
FEDERAL HOME LOAN BANK	04/15/04	11/15/07	Aaa	AAA	3.500	3.010	2,000,000.00	2,001,126.19	1,996,260.00	(4,866.19)	
FEDERAL HOME LOAN BANK	10/27/05	10/27/08	Aaa	AAA	5.000	5.000	2,000,000.00	2,000,000.00	2,000,620.00	620.00	Callable to maturity
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,004,585.01	1,009,375.00	4,789.99	
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	994,231.23	1,002,815.00	8,583.77	
FEDERAL HOME LOAN BANK	06/23/06	06/30/08	Aaa	AAA	3.000	5.500	2,000,000.00	1,965,085.50	1,975,310.00	10,224.50	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,015,940.00	15,940.00	Callable 8/18/2008 once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,003,295.30	1,016,095.00	12,799.70	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,967.31	2,373,949.03	28,981.72	
FEDERAL HOME LOAN BANK	11/08/06	03/24/08	Aaa	AAA	3.150	5.140	2,000,000.00	1,981,737.34	1,983,760.00	2,022.66	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,362.18	2,030,630.00	31,267.82	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,006,649.04	2,011,250.00	4,600.96	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,983,872.48	2,004,370.00	20,497.52	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,911.00	2,007,500.00	7,589.00	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,433,277.48	1,446,375.00	13,097.52	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,977,079.67	2,021,870.00	44,790.33	
FEDERAL HOME LOAN MTG CORP	06/16/06	06/02/08	Aaa	AAA	4.350	5.370	2,000,000.00	1,987,185.35	1,994,240.00	7,054.65	
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	983,361.11	994,990.00	11,628.89	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,004,900.11	2,017,560.00	12,659.89	Callable 11/14/2008 once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,971,085.32	2,003,720.00	32,634.68	
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,009,190.00	9,190.00	Callable 9/08/2008 once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,968,283.20	1,998,380.00	30,096.80	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,019,400.00	19,400.00	Callable 4/20/2009 once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,938,680.47	1,969,780.00	31,099.53	
FEDERAL NATL MORTGAGE ASSN	02/25/05	02/25/08	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,991,880.00	(8,120.00)	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	01/18/06	01/18/11	Aaa	AAA	5.100	5.130	1,000,000.00	999,806.81	1,001,720.00	1,913.19	Callable 1/18/2008 once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,976,309.94	2,016,250.00	39,940.06	
FEDERAL NATL MORTGAGE ASSN	12/29/06	12/28/09	Aaa	AAA	5.250	5.275	2,000,000.00	1,999,665.57	2,003,760.00	4,094.43	Callable 12/28/2007 once
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,966,915.54	1,980,940.00	14,024.46	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,989,791.02	2,005,000.00	15,208.98	
FEDERAL NATL MORTGAGE ASSN	08/15/05	02/15/08	Aaa	AAA	4.530	4.530	1,000,000.00	1,000,000.00	998,285.00	(1,715.00)	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	01/26/06	01/18/08	Aaa	AAA	3.800	4.655	2,000,000.00	1,995,195.52	1,993,440.00	(1,755.52)	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,995,809.66	2,007,810.00	12,000.34	
<b>Subtotal, Federal Agencies</b>							<b>99,795,000.00</b>	<b>99,277,287.63</b>	<b>100,092,974.03</b>	<b>815,686.40</b>	

**CORPORATE/MEDIUM TERM NOTES**

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2007**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,061,890.36	2,061,100.00	(790.36)	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,975,886.41	1,987,060.00	11,173.59	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	984,446.18	983,900.00	(546.18)	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,942,135.63	1,943,680.00	1,544.37	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,010,688.38	2,009,940.00	(748.38)	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,960,299.31	1,989,960.00	29,660.69	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,983,784.79	1,979,200.00	(4,584.79)	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,977,160.08	1,981,180.00	4,019.92	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,980,631.82	1,979,040.00	(1,591.82)	
<b>Subtotal, Corporate Securities</b>							17,000,000.00	16,876,922.96	16,915,060.00	38,137.04	
<b>TOTALS</b>							153,795,000.00	153,112,248.81	154,011,474.03	899,225.22	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.